

## **CAREER DRIVERS OF NEW-AGE EMPLOYEES: IMPLICATIONS FOR ORGANISATIONAL REWARD AND EMPLOYEE DEVELOPMENT SYSTEMS**

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**Abstract:** The paper conceptualises the linkages among individual career drivers, psychological contracts, and organisational reward and employee development systems. The model also incorporates employee reward preferences and skill-acquisition drivers. The career drivers, reward preferences, and skill-acquisition drivers of 104 software professionals in India were empirically examined. Our findings indicate that organisational reward and employee development systems need to be linked to employees' expectations that are based on their career aspirations and preferences, and also that these systems need to have the flexibility to incorporate employee diversity.

**Key Words:** Career, psychological contract, reward, employee development

## **CAREER DRIVERS OF NEW-AGE EMPLOYEES: IMPLICATIONS FOR ORGANISATIONAL REWARD AND EMPLOYEE DEVELOPMENT SYSTEMS INTRODUCTION**

The need for organisations to be lean and flexible in the current competitive environment has made it difficult for them to provide traditional job security to its employees. This has led to a change in the psychological contract. Employability is being considered a substitute for job security (Ghoshal, Bartlett and Moran, 1999; Rousseau and Tijoriwala, 1998; Waterman, Waterman and Collard, 1994). Employability refers to continuous upgradation of employees' skills so that they find it easy to secure an alternative employment in case of redundancy. Even though organisations provide opportunities for employability through various processes like challenging assignments/projects, training, etc. (Baruch, 2001, Byron, 1995; Earley, 1996; Fagiano, 1993; Ghoshal et al., 1999, Skoch, 1994), employability of an individual is not the responsibility of the organisation alone (Byron, 1995; Fagiano, 1993; Feldman, 1985 in Feldman, 1989; Mirvis and Hall, 1994; Waterman et al., 1994). Individuals need to be self-driven and flexible to be on a continuous learning curve (Byron, 1995; Earley, 1996; Waterman et al., 1994). They also need to be able to self-assess their skills (Arthur and Rousseau, 1996b; Mirvis and Hall, 1994; Feldman, 1989; Skoch, 1994) and self-supervise their work (Skoch, 1994). Employees in fourth wave organisations (Miles and Snow, 1996) are expected to define their own career progress (Earley, 1996; Miles and Snow, 1996; Waterman et al., 1994). The concept of employees as free agents who need to take care of themselves has also been mentioned in the literature (Brousseau, Driver, Eneroth and Larsson, 1996; Byron, 1995; Mirvis and Hall, 1994).

From the individual's point of view, organisational commitment has been replaced by job commitment in the new psychological contract. Organisations have been reinforcing this by linking the opportunities for employability with individual's job performance. In the old psychological contract, rewarding seniority was a way of rewarding the organisational commitment. So reward linked to performance did not get the importance that it has today. Under the new psychological contract, employees expect marketability through training in exchange for their performance (Altman and Post, 1996; Hall 1996, Hall and Mirvis 1996; Rousseau, 1989; Rousseau and Wade-Benzoni, 1995 in Sullivan, Carden and Martin, 1998).

Contracts are classified as relational and transactional based on MacNeil's (1985) (in Rousseau (1990)) typology of contracts. Relational contracts look at long-term relationship where as transactional contracts look at short-term gains. In a survey of new recruits, Rousseau (1990) finds that under relational contracts employers exchange job security for employee loyalty and a minimum length of service, while under transactional contracts employees expect high and performance-based pay and training and development in exchange for overtime and additional roles. Rousseau (1995) (in Rousseau and Tijoriwala, 1998) regards a hybrid form of contract by combining the performance requirements of transactional contracts with the long-term investments in employees under relational contracts. Traditional relational contracts without performance requirements might damage the self-worth of employees by creating doubts in their minds about their real worth to the organisation (Mirvis and Hall, 1994). However according to Lawler (1992), as evident by employers in flatter organisations offering challenging work, skill development opportunities, and skill-based pay system instead of promotion, the form of relational contract has changed to include such requirements.

### **THEORETICAL BACKGROUND AND HYPOTHESES**

#### **The Theoretical Model**

Individuals view their careers from a 'subjective' perspective, each having his/her own idea about his/her career (Arthur and Rousseau, 1996a). Career drivers can be defined as the short-term/ long-term aspirations or preferences of the individual, which influence his/her decisions regarding his/her career. Aspirations and preferences can be related to specific features of a job or an organisation so that career drivers are either job-related or organisation-related. The term 'career driver' is a variant of the term 'career anchor' used by Schein (1978). Schein's (1978) career anchor is made up of three components. The first one is self-perceived talents and abilities, the second one is self-perceived motives and needs, and the third one is self-perceived attitudes and values. The career drivers studied

in this paper can be said to be most closely associated with Schein's (1978) second component (i.e., self-perceived motives and needs) pertaining to the job or organisational characteristics.

Psychological contracts may vary from individual to individual because they are based on each individual's beliefs regarding mutual obligations of employer and employee (Herriot, Manning and Kidd, 1997; Herriot and Pemberton, 1996; Kotter, 1973; Rousseau, 1990; Rousseau and Tijoriwala, 1998).

Not only are psychological contract and career drivers individual-based, but also each individual's psychological contract is shaped on the basis of his/her career drivers. For example, if his/her career driver is life-long job security then s/he expects it in exchange for loyalty towards organisation. If his/her career driver is learning new skills then s/he expects to be given opportunity to learn those skills through assignment, training, etc. in exchange for good job performance. Rousseau (1990) finds support for the link between the career motivations and the psychological contracts in case of new hires. Sparrow (1996) suggests that an individual's career anchors may be one of the predictors of his/her contractual stance.

The link between psychological contract and career drivers is bi-directional in nature. Change in individual's belief about organisation's obligations may lead to changes in his/her career aspirations and expectation. The transformation from old to new psychological contracts has changed the way individuals manage their careers (Waterman, et al., 1994).

Von Glinow, Driver, Brousseau and Prince (1983) referred to the parameter of employee diversity. According to them, diversity includes establishing unique reward schemes for individual employees. They also state that a 'career oriented human resource system' cannot give effective outcomes without incorporating diversity. Rewarding employees according to their own perceptions of their needs and expectations can motivate them better (Lester, Claire and Kickul, 2001). Individual reward preferences are based on each individual's beliefs regarding the mutual obligations of employer and employee, i.e. his/her psychological contract. Reward systems in an organisation need to be responsive to individual's expectations by taking into account individual reward preferences. In turn, organisational reward systems may influence individual career drivers by either reinforcing them or weakening them. Figure 1 shows the relationship between individual career drivers, individual psychological contract, individual reward preferences, and organisational reward systems. The inter-linkages make the process dynamic.

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Figure 1 will be incomplete without incorporating employee development since employability is central to the new psychological contract. Since employees are expected to define their own career progress (Earley, 1996; Miles and Snow, 1996; Waterman et al., 1994), they will have definite ideas about the skills (in this study the term 'skill' includes knowledge) needed to make them employable and definite expectations regarding organisations' contribution in developing such skills. This will form the basis for skill-acquisition drivers. Organisations need to meet employee expectations by linking employee development systems to individual skill-acquisition drivers. In turn, outcomes of various organisational employee development practices may influence individual career drivers by either reinforcing them or weakening them.

In addition, Human Resource Management (HRM) practices play an important role in shaping the individual psychological contract (Guzzo and Noonan, 1994; Rousseau and Greller, 1994; Rousseau and Wade-Benzoni, 1994). The implicit and explicit communications through the reward and employee development systems mould the psychological contract of individual employees.

### **Career Drivers**

Career drivers can be broadly classified as traditional and progressive. Traditionally, the career drivers related to the old psychological contract have been monetary gain, upward mobility in the hierarchical layers, social status, and assured future (Byron, 1995). Traditional career drivers are

based on monetary gain and are not fully linked to performance, secured future, social status, organisational loyalty, importance of a long tenure in the same organisation, and regular working hours. These career drivers are more appropriate in forming the basis for the old psychological contract. Except for good pay, these career drivers are also more appropriate in forming the basis for the relational contract.

However the motivation behind career moves may no longer be limited to money or status but these moves may be motivated by opportunity to learn new things or proper utilisation of current skills in the job (Bird, 1996). Careers are no longer bounded by status and hierarchy and work is no longer a formal structure performed and owned by firms in exchange for pay and job security (Arthur and Rousseau, 1996b). The climb up the organisational hierarchy ladder has also become difficult as the organisations are becoming flatter (Brousseau et al., 1996; Lawler, 1992). The new concept of boundaryless career aided by available technological support has brought in flexi-time as a simple variant of full-time job (Arthur and Rousseau, 1996b). Progressive career drivers are therefore related to the new psychological contract and are focussed on improving employability, employee performance and employee growth (Fagiano, 1993; Rousseau and Tijoriwala, 1998; Waterman et al., 1994). They are based on rewards that are clearly linked to performance, opportunity to learn and apply marketable skills, employability across organisations, and progressive working conditions. This leads us to the following hypothesis.

*Hypothesis 1a. Progressive career drivers are dominant over traditional career drivers for new-age employees.*

Hall (1976) (in Mirvis and Hall, 1994) terms individual-driven careers transcending the boundaries of organisations and occupational fields as ‘protean careers’. Sullivan (1999) differentiates between career from organisational and individual perspective. The term boundaryless career is applied from organisational perspective and the term protean career is suggested to be more applicable from individual perspective. The latter deals with the careers based on individual adaptability and self-direction. Looking from individual perspective, it is to be expected that career drivers will vary from person to person. Thus we formulate the following hypothesis.

*Hypothesis 1b. Career drivers vary across demographic profile.*

### **Essence of Individual Psychological Contract**

The essence of individual psychological contract that the new-age employees have with their new-economy organisations has been examined on the basis of the extent of organisational loyalty of these employees, their current aspirations and reasons/causes for their inter-organisational mobility. This approach is different from traditional methodology used to examine psychological contract and their violations. It focuses on employee aspirations and expectations and also includes some objective measures to assess organisational loyalty.

**Organisational loyalty.** The concept of ‘one employer for lifetime’ for an employee is an important component of the old psychological contract. Employees’ expect job security in return for their organisational loyalty. Under the new psychological contract, employees do not expect job security and hence are not likely to demonstrate organisational loyalty. We formalise this with the following hypotheses.

*Hypothesis 2a. New-age employees demonstrate less organisational loyalty.*

*Hypothesis 2b. Expression of organisational loyalty varies across demographic profile.*

**Current aspirations.** Employees’ skills in new-economy organisations become obsolete much faster and so employees in such organisations need to continually look for opportunities to upgrade their employability. Thus we have the following hypotheses.

*Hypothesis 2c. Even in short-term, new-age employees are always looking to improve their employability.*

*Hypothesis 2d. Current aspirations vary across demographic profile.*

**Change drivers.** Change driver is defined as the reason to move to another organisation. Assuming that individuals look for organisations where they can fit best, change drivers reflect the nature of individuals. Change drivers of new-age employees focus on better job and career prospects. This leads us to the last two among this set of hypotheses.

*Hypothesis 2e. Elements of new psychological contract are dominant over those of old one in change drivers of new-age employees.*

*Hypothesis 2f. Change drivers vary across demographic profile.*

### **Individual Reward Preferences**

Rewards in the organisation can be broadly divided into three categories:

**Monetary gains:** These rewards are purely monetary in nature. The gains may or may not be immediate.

**Career development:** These rewards may have monetary gains but mainly they facilitate the career development of an individual.

**Job-Related:** These rewards focus on making the job more satisfactory and meaningful for the individual.

It is expected that reward preferences of new-age employees would differ based on the above-mentioned classification. They would look beyond purely monetary gains. We formalise this conjecture with the following hypotheses.

*Hypothesis 3a. New-age employees have stronger preference for rewards that facilitate career development than for purely monetary rewards.*

*Hypothesis 3b. New-age employees show stronger preference for rewards that make their job more satisfactory and meaningful than rewards that are purely monetary.*

*Hypothesis 3c. Reward preferences vary across demographic profile.*

### **Individual Skill-Acquisition Drivers**

In shifting from relational to transactional contract, the locus of responsibility for an employee's future shifts from the employer to the employee (Mirvis and Hall, 1994). This shift is expected to have a major impact on the skill-acquisition drivers of individuals. The following hypotheses are based on this observation.

*Hypothesis 4a. New-age employees are always eager to learn new skill-sets and want to acquire skill-sets of their own preference.*

*Hypothesis 4b. Modern skill-acquisition drivers dominate traditional skill-acquisition drivers for new-age employees.*

*Hypothesis 4c. Skill-acquisition drivers vary across demographic profile.*

## **METHOD**

### **Sample**

The Information Technology (IT) industry is a good example to illustrate that careers are no longer bound by organisational boundaries (Arthur and Rousseau, 1996a). High technology organisations, like the ones in IT sector, have fast changing technology and consequently rapid redundancies of skills. Such organisations prefer transactional contracts to relational contracts. IT organisations in the Silicon Valley of California, USA owe their success to the employees' inter-firm mobility and employees continuously striving to learn through both formal and informal modes (Rogers and Larsen, 1984; Saxenian, 1996). Employees prefer transactional contracts under which they work for exceptionally long hours in exchange for high extrinsic economic rewards (Rogers and Larsen, 1984).

We choose Indian software professionals for this study because they are the new-age employees working in a new-economy industry. IT industry in India had shown very high growth in the last decade of the previous century and is still growing steadily. With continual creation of new jobs, software professionals can be confident of job opportunities outside their organisations. This confidence is crucial for establishing the new psychological contract. Psychological contract is said to be properly assimilated by employees only under two situations: first, when they are new; and second, when there is a noticeable transformation (Rousseau, 1996). Young software professionals working in new-economy industry are expected to best assimilate the new psychological contract, and are therefore apt for this study.

The study covers most of the highly reputed IT organisations in India. 104 software professionals working in ten IT organisations in Southern and Western India responded to the study. Data was collected by directly approaching the employees at a personal level. The focus of the study is on the new generation of employees in the age group of 20-30 years. Table 1 gives the respondents' profile based on key demographic variables like designation, qualification, age, total work experience, gender, and marital status. Age and total work experience are very highly correlated and so total work experience is taken to represent both the variables. All these variables are important in a career-related study. Designation, qualification, and total work experience affect the levels of aspirations and expectations of the employees and gender and marital status have bearing on their job and organisational mobility.

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## Design and Procedures

The data was collected from individual employees through a structured questionnaire from August to December 2003. The questionnaire was developed based on existing literature and inputs from 11 software professionals. The core section of the questionnaire was structured to get rank-orders of employees' aspirations and preferences through the options given in each question. There were six questions to cover immediate targets, change drivers, career drivers, reward preferences, and skill-acquisition drivers of individuals.

In order to aggregate the individual data across the group and the sub-groups, the mean of the individual rankings were calculated by Kendall's W test (Siegel, 1956) using the SPSS 10.0 package. The aggregate rankings were given on the basis of the mean ranks. In the tabulated results, aggregate ranking is shown in the parenthesis next to mean rank. Kendall's coefficient of concordance was also calculated. This coefficient gives the level of agreement among various raters. The value of this coefficient is from 0 (no agreement) to 1 (complete agreement). The aggregate rankings and the Kendall's coefficients of concordance were obtained for all the respondents as a group as well as for the sub-groups based on demographic profile. The value of  $\chi^2$  statistics exceeding the critical value at  $p < 0.001$  means that one can conclude with considerable assurance that agreement among the participants is higher than what it would be purely by chance.

## Measures

**Demographic variables.** The following five demographic classifications are used to study the diversity across individuals:

1. Designation: Based on the designation of the respondents of this study, two sub-groups are taken. The first sub-group is of all the respondents at the entry-level called "level 1" and the other one, called "level 2" of respondents who are one or two levels higher than the entry-level.
2. Qualification: The two sub-groups based on qualification are differentiated on the basis of whether qualification is in the field of engineering or not. In India, graduates in engineering field generally have a good entry-level job market but graduates in science, arts, and commerce have a very limited entry-level job market.



3. Experience: Two years of total work experience is taken as a cut-off for forming the two sub-groups. It has been observed that it generally takes two years to comprehend the complexities of work-life and be clear about future career path.
4. Gender: Two sub-groups are created based on whether the respondent is male or female.
5. Marital status: Two sub-groups are created based on whether the respondent is single or married.

**Career drivers.** The following career drivers are considered in this study.

Job-related traditional career drivers: These are security of having a regular income; job entailing the desired social status; and job having regular working hours.

Job-related progressive career drivers: These are opportunity to learn new skills; proper utilisation of current skill-set; job providing opportunity to work abroad; job entailing good long-term future prospects in any organisation; challenging and interesting job; job having flexible working hours as long as deadline is met; and full autonomy in work.

Organisation-related traditional career drivers: These are good pay; security of having a job for the entire working life; good retirement benefits; organisation entailing the desired social status; good long-term future prospects in the current organisation; well rewarded for continuous service in the same organisation over a long period; and organisation practice of working in regular working hours.

Organisation-related progressive career drivers: These are strong link between reward and performance; fair appraisal of work; opportunity to attend preferred professional training; organisation providing opportunity to work abroad; cooperative and supportive co-workers; good support from superiors/ management; organisation practice of working flexi-hours as long as deadline is met; assigned preferred job/ project; and using cutting edge technology and facilities.

**Organisational loyalty.** Organisational loyalty of new-age employees is examined through four parameters. These are percentage of total work experience worked in the current organisation; number of organisations worked for prior to joining the current organisation; intention to continue in the current organisation for the next 5 years; and intention to continue in the current organisation for the entire working life. The first two of these parameters are based on past record of each employee and the other two on his/her future intent. The last two are a variation of turnover intentions scale developed by Michel (1981). Michel's scale primarily looked at emotional response whereas the constructs in this study focus on aspirations and expectations.

**Current aspirations.** Immediate individual targets reflect the current aspirations of these employees. Immediate individual targets considered in this study are: improve job performance; get an opportunity to go for preferred professional training; acquire a preferred skill-set; get better rewarded for accomplishments; move to a preferred job; move to a preferred organisation; get better pay; get an opportunity to work abroad; and just continue as one is.

**Change drivers.** The change drivers in this study are: preferred job/ project; stronger link between reward and performance; cutting edge technology and facilities; opportunity to go for preferred professional training; flexible working hours; better pay; opportunity to work abroad; job security; and regular working hours.

**Individual reward preferences.** The following reward preferences are considered in this study.

Monetary gains: These are increment in salary; cash reward; employee stock options plans that can be exercised right away; and employee stock options plans that can be exercised later if continued in the same organisation.

Career development: These are promotion; opportunity to work abroad; move to a job/project with better long-term career prospects; and opportunity to attend preferred professional training.

Job-Related: These are move to a preferred job/project; and more autonomy in work.



**Individual skill-acquisition drivers.** The individual skill-acquisition drivers taken in this study are of two types: traditional drivers and modern drivers.

Traditional drivers: These are no desire to learn a new skill-set; no preference for any particular new skill-set; one that improves career prospects in the current organisation; one that provides better pay; one that provides job security; and one that provides desired social status.

Modern drivers: These are one that improves long-term career prospects across organisations; one that provides an opportunity to work abroad; one that has stronger link between reward and performance; one that gets job in the preferred organisation; one that provides an opportunity to go for preferred professional training; and one that helps in the current job.

## RESULTS

### Career Drivers

Table 2 shows that progressive career drivers dominate traditional career drivers for the software professionals surveyed. Thus, there is support for Hypothesis 1a. In case of job-related career drivers, there is a perfect fit between expected and actual rankings with the exception that security of having a regular income is favoured over full autonomy in work. In case of organisation-related career drivers, the three traditional career drivers – good pay, good long-term future prospects in the current organisation, and organisation entailing the desired social status – are favoured more by respondents than expected.

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Tables 3 and 4 show that career drivers vary across demographic profile, thus supporting Hypothesis 1b. It can be seen in Table 3 that the top three favourites in all sub-groups are progressive career drivers (though not the same one). As one expects, the least preference across all classifications is shown for regular working hours. The most divergent sub-group here is that of the female software professionals, followed by those who do not have engineering background (only 4 out of 31 female software professionals do not have engineering background.). Female software professionals have shown very high preference for security of having regular income followed by high preference for desired social status. Software professionals who do not have engineering background have also shown high preference for security of having regular income. The sub-group that shows closest match between the expected and actual rankings is that of male software professionals.

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Insert Table 3 about here  
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Table 4 shows that the intra-group differences are high for progressive organisation-related career drivers and the favoured traditional ones. The uniformity across groups is seen in the very low preference shown for the four least favoured career drivers – security of having a job for the entire working life, well rewarded for continuous service in the same organisation over a long period, organisation practice of working in regular working hours, and good retirement benefits. All four are traditional career drivers. The least favoured career driver across all sub-groups is good retirement benefits reflecting the transactional nature of the contract.

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A traditional organisation-related career driver is the top ranked career driver for three of the sub-groups, viz male software professionals, female software professionals and single software

professionals. However, it is not the same one for all the three sub-groups. In the case of male software professionals and single software professionals, it is the pay and in the case of female software professionals, it is the social status. Female software professionals and married software professionals place much less importance on pay, thereby emphasizing the fact that career drivers differ across demographic profile. The sub-group that shows closest match between expected and actual rankings is that of employees in the level 2.

### Essence of Individual Psychological Contract

**Organisational loyalty.** Table 5 shows that a majority of respondents in this study have worked in only one organisation. The trend is similar across qualification and gender. However as expected, percentage of individuals who have worked in only one organisation is lower for employees having work experience of more than two years, those in the level 2, and married employees. It is to be noted that all the employees in the level 2 and 13 out of 14 married employees have work experience of more than 2 years. However, only 8 out of 13 employees in the level 2 are married.

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The picture is different when one looks at the parameters of intention of these respondents. Only 29 intend to continue in the same organisation for the next 5 years and a meagre 5 of them intend to continue in the same organisation for lifetime. Others are on the lookout for better prospects and will not hesitate to move to another organisation if the other organisation offers better prospects. The drivers for such a move on the part of employees are discussed later in the paper.

Based on past record and future intentions, one can see that there is a high percentage of respondents who intend to move to another organisation but have not done so yet. 14 out of 29 respondents who intend to continue in the same organisation for the next 5 years and 4 out of 5 respondents who intend to continue in the same organisation for lifetime have worked in only one organisation. They may be said to demonstrate a very high degree of organisational loyalty and may prefer predominantly relational contracts. Here it is important to note that although there is a group among these new-age employees who may prefer relational contracts, the number of such employees is very small, thus supporting the hypothesis that new-age employees demonstrate low organisational loyalty (Hypothesis 2a) that new-age employees demonstrate low organisational loyalty.

There is modest support for the hypothesis that career drivers vary across demographic profile (Hypothesis 2b), which is mainly seen while comparing past records across designation and experience. The number of respondents who intend to continue for next 5 years (or for lifetime) is too small to make out a clear pattern across demographic profile.

**Current aspirations.** Table 6 shows the mean ranks and the aggregate rankings of the respondents' immediate targets. There is strong support for Hypothesis 2c, which states that the new-age employees are always looking to improve their employability even in short-term, though their ways may differ. On the basis of the results, targets can be classified into four categories: most preferred (ranks 1 and 2), more preferred (ranks 3, 4, 5, and 6), less preferred (ranks 7 and 8), and least preferred (rank 9).

The least preferred target for this sample of new-age employees is to continue as they are presently doing. These employees are always looking to improve upon their current status. This is true across designation, qualification, work experience, gender, and marital status.

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The less preferred targets are: to move to an organisation of preference and to get an opportunity to go for professional training of preference. Low inclination for moving to an organisation of

preference indicates that these employees are focussed more on their jobs and careers than on the organisation. But low preference for getting an opportunity to go for professional training of preference is an unexpected result, as one would expect these employees to give higher priority to professional training that increase their marketability.

The more preferred targets are to get better rewarded for accomplishments, to improve job performance, to acquire a preferred skill-set, and to move to a preferred job. All these reinforce the idea of the new psychological contract that is based on employability, job commitment, and importance of performance.

The most preferred targets are: to get better pay and to get an opportunity to work abroad. Preference for better pay is in line with the transactional contracts that these employees are expected to have with their organisation. Indian software professionals who go to the United States or European countries to work on a project not only earn very high incomes but also get a big boost for their career development. Hypothesis 2d is mainly supported by the noteworthy differences in more and most preferred targets between sub-groups of designation and also those of qualification.

**Change drivers.** Table 7 shows mean ranks and aggregate rankings of change drivers for the participants of this study. The main driver to move to another organisation is predominantly the prospect of better pay offered by the other organisation. This is in accordance with the transactional nature of their contract. The next two leading drivers for moving to another organisation are to get an opportunity to work abroad, and to get the job or project of their preference in the other organisation. Having stronger link between reward and performance and getting access to cutting edge technology and facilities are stronger drivers for change than job security. This shows that new psychological contract dominates the old one, thus supporting Hypothesis 2e. Working flexi-hours or in regular hours is not important to these respondents as a basis for moving to another organisation.

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Interestingly, job security is a more important change driver than using cutting edge technology and facilities for employees in the level 2 and those who do not have engineering background. In the case of latter, the limited character of their job market may be a reason. Preference for job security over using cutting edge technology and facilities indicates the presence of elements of the old psychological contract or the relational contract. However, the case is reverse for employees having less than two years of work experience. They may prefer transactional contract in their eagerness to discover the frontiers of technology and may not have started giving serious thought to future security. The variations support Hypothesis 2f that change drivers vary across demographic profile.

### **Individual Reward Preferences**

Results show overall support for Hypothesis 3a. Table 8 shows that the first two rewards in terms of career development, promotion and opportunity to work abroad, are the most preferred ones by a majority of the respondents. The third type of reward in terms of career development – move to a job/project with better long-term career prospects, is highly preferred by the employees in the level 2 and the married employees. The fourth type, opportunity to attend preferred professional training, is of very low preference.

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Increments and cash rewards are monetary rewards for which respondents have high preference. Of the two, increment is the more preferred form since its gain is for a longer term. Preference for cash reward is lower among the employees in the level 2, the married employees and the employees who do not have engineering degree. Monetary rewards through employee stock options universally is the least preferred option.

Employee stock options were introduced to include employees as shareholders of the organisation and so motivate them to work harder for the organisation. Employee stock options became popular among employees when there was a boom in the shares of IT organisations in the stock market. However, after that boom, the attractiveness of employee stock options has gone down. Also, the basic principle behind employee stock options, i.e. to motivate employees by creating a feeling of ownership for the organisation, is more in the nature of a relational contract and may not gel with the transactional nature of contract that software professionals predominantly prefer. Thus there is moderate preference for new forms of rewards that are job-related. There is low overall support for Hypothesis 3b but it is supported in some demographic sub-groups. Reward in terms of getting preferred job or project find more favour with employees who do not have engineering degree. It may be that these employees have to struggle harder to be selected in jobs or projects of their preference. Similarly, autonomy is favoured more by employees with less than two years of work experience, probably because they have less autonomy regarding work-related decisions. These variations support Hypothesis 3c.

### **Individual Skill-Acquisition Drivers**

Table 9 shows that the respondents of this study are very clear on two counts: one, they want to learn a new skill-set; and two, they have a clear preference and are particular about the new skill-set that they want to learn. They clearly like to define their own career paths. This is seen to be true for all demographic sub-groups. Thus, there is strong support for Hypothesis 4a.

There is moderate support for Hypotheses 4b and 4c. The most preferred skill-set (ranks 1 and 2 overall as well as for all sub-groups) is the one that improves career prospects, be it long-term career prospect across organisations or career prospect in the current organisation. The former is more preferred by all sub-groups except the one having employees with less than two years of total work experience. Employees in this category seem to focus more on strengthening their current prospects. The next level of preference (ranks 3 and 4 overall as well as for majority of sub-groups) is monetary in nature. Employees seem looking to acquire skill-sets that will fetch them better pay. Also, they would prefer to acquire a skill-set that has a stronger link between reward and performance so that their performance is rewarded better.

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There is moderate preference (ranks 5 and 6 overall as well as for majority of sub-groups) for acquiring a skill-set that helps them in the current job or one that provides opportunity to work abroad. The preference shown for the latter is less than expected, considering its favourable position among career drivers. The explanation for this can be that since it features high on their immediate targets, respondents might be aiming to go abroad immediately on the strength of their current skill-set rather than waiting till they acquire a new one. There is low preference (ranks 7 and 8 overall as well as for majority of sub-groups) for acquiring a skill-set that will provide job security or help employees to move to an organisation of their choice. There is very low preference (ranks 9 and 10 overall as well as for majority of sub-groups) for acquiring a skill-set that provides them opportunity to go for professional training of their preference or desired social status.

### **IMPLICATIONS FOR MANAGEMENT THEORY**

The existing literature conceptualises the influence of HRM practices in shaping the individual psychological contract (Guzzo and Noonan, 1994; Rousseau and Greller, 1994; Rousseau and Wade-Benzoni, 1994). However, organisations can benefit by making their HRM systems responsive to individual's beliefs about organisation's obligations. The existing literature does not examine the crucial role played by individual psychological contracts in making the reward and employee development systems more effective. This is even more important in the light of our results that clearly show that employees would like to define their own career path. These results imply that employees would not like to depend fully on insulated organisational processes for key decisions related to their career. The question here is: how can we link organisational system to individual

employee's implicit beliefs? Sparrow (1998) discusses the issues in linking individual psychological contracts of employees to the performance management system in the organisation. Developing on the same theme, it is recommended on the basis of the current study that additional components are required for linking individual psychological contracts with reward and employee development systems. In case of reward systems, that component is the individual reward preferences. In case of employee development systems it is the individual skill-acquisition drivers. The purpose of each of these components is to explicitly express employees' expectations and aspirations relevant to the corresponding HRM system. The results of the empirical study clearly indicate individual-level differences in the reward preferences and skill-acquisition drivers. The reward and employee development systems need to be responsive to such differences. Developing an HRM system that not only incorporates employee diversity, but also has perceived equity from employees' point of view is a difficult task. Explicit expression of employees' expectation can make employee information more transparent and thus help in developing HRM systems that have perceived equity.

Based on the existing literature, this paper develops inter-linkages among employee career drivers, employee psychological contracts, and organisational reward and employee development systems. These linkages also incorporate employee reward preferences and skill-acquisition drivers. The existing literature either deals with psychological contracts and career (Herriot and Pemberton, 1996; Mirvis and Hall, 1994; Waterman et al., 1994) or careers and HRM systems (Von Glinow et al., 1983), or HRM practices and psychological contracts (Guzzo and Noonan, 1994; Lester et al., 2001; Rousseau and Greller, 1994; Rousseau and Wade-Benzoni, 1994). However, no study has yet looked at the comprehensive picture shown by the model in this paper. Without this comprehensive picture, one is not able to appreciate the complexity and dynamic nature of the process. One of the interesting implications of the proposed model is the role of psychological contract as intermediary between individual career drivers and reward preferences (or skill-acquisition drivers). An individual's reward preferences (or skill-acquisition drivers) are based on those career aspirations and preferences that fit his/her beliefs regarding mutual obligations between employer and employee.

The results of the empirical study show that though there is a dominance of elements of the new psychological contract, certain elements of the old psychological contract are still active (a similar pattern is seen if MacNeil's classification of transactional and relational contract is considered). Studying the results of the demographic sub-groups strengthens this view. These results are even more interesting considering the fact that the sample is taken from a population whose members have the maximum possibility of assimilating only the elements of new psychological contract. So either respondents of this study are in a transition phase from the old to the new psychological contract or it is an indication that a mixed form of contract with elements of both old and new psychological contracts will become a more stable form in the long run.

The presence of elements of both old and new psychological contracts and variation in its composition across individuals reinforces the concept of changing proportion of transactional to relational contracts across individuals. According to Rousseau and Parks' (1993 in Guzzo and Noonan, 1994) conceptualisation, these changing proportions depend on employment status and tenure of employer-employee relationship. This study contends that these changing proportions are also a function of individual career drivers, which is a more individual-specific parameter. In his/her beliefs, each individual notices those aspects of organisational obligations that have high impact on his/her career aspirations and preferences. The mixed form of contracts shows that matching individual-organisation relationships to only one form of the existing classifications of the psychological contracts limits the depth of the studies related to psychological contracts. These limitations will be of more concern where HRM systems are to be made responsive to individual psychological contract.

### **IMPLICATIONS FOR ORGANISATIONAL REWARD AND EMPLOYEE DEVELOPMENT SYSTEMS**

The study has significant implications for the reward and employee development systems in organisations. These systems need to be linked to employees' expectations that are based on their aspirations and preferences. These systems should be capable of pro-actively identifying individual differences and have the flexibility needed to incorporate employee diversity. HR departments need to



respond to the challenges brought forth by the changing nature of the workforce in motivating, developing and retaining the human resource talent. Most IT organisations have started implementing cafeteria plans that allows employees to choose their preferred benefits among a list of benefits like house rent allowance, travel allowance, medical benefits, etc. But it is a minor step. Organisations need to make fundamental changes in their policies and practices of rewarding and developing employees.

The options given to the participants of this study for ranking their reward preferences were limited to some general reward preferences that are applicable across most organisations. However, organisations can provide more variety in reward preferences and try to be creative in identifying new forms of rewards. The challenging task is to design the reward system in such a way that there is perceived equity from each employee's point of view.

Organisations also need to be flexible enough to discontinue the rewards that have totally lost favour with employees. Employee stock option plans is a good example of reward preference getting obsolete and increasing employee dissatisfaction instead of motivating them. In March 2004, the top IT organisation in India suspended these plans citing high levels of employee dissatisfaction with these plans as one of the reasons (The Economic Times, 2004). Employees of this organisation had given feedback to its management that they would prefer increments to employee stock option plans. This reinforces the findings of this study pertaining to reward preferences and also reinforces the concept that reward system needs to get inputs regarding employees' preferences.

The organisations also need to be more creative in the ways they can develop employees. The most common mode of development in the organisation is to send employees for training or to provide training in-house. This mode does not seem to find favour with the respondents of this study. The organisations need to review the scope of training in increasing employee marketability. Apparently there is a gap somewhere. Either training programmes are not geared to upgrade employability of these employees or else in individuals' perception they do not add expected value and provide expected returns. The training needs identification in the organisations is perceived as a routine and tedious task of filling forms by the parties involved and is not given the attention that such a critical process deserves. Employee development system needs to be flexible to take into account the skill-acquisition drivers as well as employee preferences for the modes of employee development.

Organisations' belief that short-term contracts are the order of the day leads to a vicious cycle where both organisation and individual employees are losers. Organisations do not develop the practices that can help in retaining employees. The reward and employee development system are not in line with changing business environment and changing nature of workforce. These systems do not consider employees as individuals and fail to take into account their individual preferences leading to high employee dissatisfaction and high employee turnover. Employee turnover is basically inter-organisational mobility because skills in the IT sector are mostly applicable across organisations. So skills are generally available in the labour market and organisations get into more and more routine recruitment and selection work. Since it is the HR department that mostly handles recruitment and selection work, this work is done at the cost of developing other HRM systems like reward and employee development systems. And this cycle continues to the detriment of both organisation and employees – the organisation is not able to develop competitive advantage through human resources and employees may move from organisation to organisation but stagnate in terms of their own development.

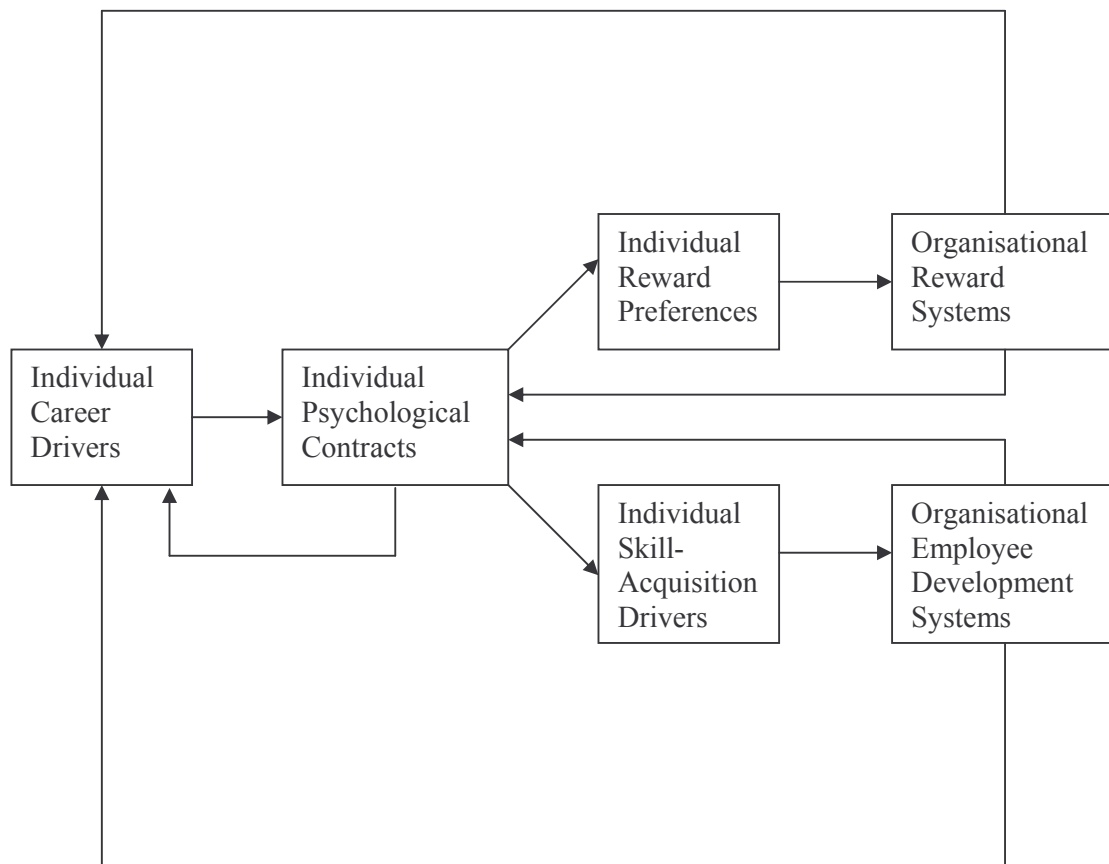
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**FIGURE 1: Integrated Model**

**TABLE 1: Respondents' Profile**

Characteristics	Classification	Number of Respondents
Designation	Level 1	85
	Level 2	12
	Level 3	7
Qualification	Engineers	88
	Non-Engineers	16
Total Work Experience	Less than 2 years	51
	2 – 5 years	44
	More than 5 years	9
Age	20-25 years	71
	25-30 years	30
	Over 30 years	3
Gender	Male	73
	Female	31
Marital Status:	Single	90
	Married	14
Number of Children of Married Employees	0	9
	1	4
	2	1

TABLE 2: Rankings of Career Drivers

	Progressive Career Drivers	Expected Ranking	Actual Ranking	Traditional Career Drivers	Expected Ranking	Actual Ranking
Job-Related (N=98)	Opportunity to learn new skills	1 to 7	3.39 (1)	Security of having a regular income	8 to 10	5.58 (7)
	Proper utilisation of current skill-set		4.84 (2)	Job entailing the desired social status		6.07 (9)
	Challenging and interesting job		4.85 (3)	Job having regular working hours		8.30 (10)
	Job entailing good long-term future prospects in any organisation		5.27 (4)			
	Job providing opportunity to work abroad		5.35 (5)			
	Job having flexi-hours as long as deadline is met		5.55 (6)			
	Full autonomy in work		5.82 (8)			
Organisation-Related (N=99)	Kendall's Coefficient of Concordance = 0.166 and Chi-Square Statistic = 146.03, exceeds critical value at p < 0.001					
	Cooperative and supportive co-workers	1 to 9	6.66 (1)	Good pay	10 to 16	6.81 (3)
	Organisation providing opportunity to work abroad		6.66 (1)	Good long-term future prospects in the current organisation		7.25 (5)
	Organisation practice of working flexi-hours as long as deadline is met		7.12 (4)	Organisation entailing the desired social status		7.30 (6)
	Good support from superiors/ management		7.65 (7)	Job security during working life		10.17 (13)
	Assigned preferred job/ project		7.91 (8)	Well rewarded for continuous service in the same organisation over a long period	10.49 (14)	
	Fair appraisal of work		8.39 (9)	Organisation practice of working in regular working hours	11.13 (15)	
	Opportunity to attend preferred professional training		8.43 (10)	Good retirement benefits	12.97 (16)	
	Strong link between reward and performance		8.52 (11)			
	Using cutting edge technology and facilities		8.54 (12)			
	Kendall's Coefficient of Concordance = 0.145; Chi-Square Statistic = 215.41, exceeds critical value at p < 0.001					

TABLE 3: Rankings of Job-Related Career Drivers Classified by Demographic Profile

Job-Related Career Drivers		Mean Ranks and Aggregate Ranking									
		Designation		Qualification		Experience		Gender		Marital Status	
		Level 1	Level 2	Engineer	Non-Engineer	< 2 years	> 2 years	Male	Female	Single	Married
		N=81	N=17	N=85	N=13	N=49	N=49	N=69	N=29	N=85	N=13
Progressive Career Drivers	Opportunity to learn new skills	3.25 (1)	4.06 (1)	3.53 (1)	2.46 (1)	3.39 (1)	3.39 (1)	3.30 (1)	3.59 (1)	3.34 (1)	3.69 (1)
	Proper utilisation of current skill-set	4.80 (2)	5.00 (4)	4.87 (3)	4.62 (2)	5.33 (4)	4.35 (2)	5.04 (3)	4.34 (2)	4.94 (3)	4.15 (2)
	Challenging and interesting job	4.91 (3)	4.53 (2)	4.86 (2)	4.77 (3)	5.33 (4)	4.37 (3)	4.70 (2)	5.21 (5)	4.80 (2)	5.15 (5)
	Job entailing good long-term future prospects in any organisation	5.19 (4)	5.65 (8)	5.34 (5)	4.77 (3)	5.20 (3)	5.33 (5)	5.49 (6)	4.72 (3)	5.28 (4)	5.15 (5)
	Job providing opportunity to work abroad	5.33 (5)	5.41 (6)	5.32 (4)	5.54 (6)	5.49 (7)	5.20 (4)	5.14 (4)	5.83 (7)	5.40 (5)	5.00 (4)
Traditional Career Drivers	Job having flexi-hours as long as deadline is met	5.67 (7)	5.00 (4)	5.42 (6)	6.38 (8)	5.10 (2)	6.00 (8)	5.39 (5)	5.93 (8)	5.41 (6)	6.46 (9)
	Full autonomy in work	6.01 (8)	4.88 (3)	5.80 (8)	5.92 (7)	5.98 (9)	5.65 (6)	5.65 (7)	6.21 (9)	5.96 (8)	4.85 (3)
	Security of having a regular income	5.60 (6)	5.47 (7)	5.61 (7)	5.38 (5)	5.37 (6)	5.80 (7)	5.78 (8)	5.10 (4)	5.55 (7)	5.77 (7)
	Job entailing the desired social status	6.07 (9)	6.06 (9)	6.02 (9)	6.38 (8)	5.88 (8)	6.27 (9)	6.22 (9)	5.72 (6)	6.06 (9)	6.15 (8)
	Job having regular working hours	8.16 (10)	8.94 (10)	8.22 (10)	8.77 (10)	7.94 (10)	8.65 (10)	8.28 (10)	8.34 (10)	8.25 (10)	8.62 (10)
Kendall's Coefficient of Concordance		0.167	0.195	0.152	0.285	0.135	0.219	0.171	0.179	0.165	0.208
Chi-Square Statistics <sup>†</sup>		121.44	29.83	116.36	33.37	59.36	96.65	106.39	46.75	126.16	24.29

<sup>†</sup> All values exceed critical value at significance level  $p < 0.001$ , except the value for the sub-group 'married'. This value exceeds critical value at significant level  $p < 0.01$ .



TABLE 4: Rankings of Organisation-Related Career Drivers Classified by Demographic Profile

Organisation-Related Career Drivers		Mean Ranks and Aggregate Ranking									
		Designation		Qualification		Experience		Gender		Marital Status	
		Level 1	Level 2	Engineer	Non-Engineer	< 2 years	> 2 years	Male	Female	Single	Married
Progressive Career Drivers	Cooperative and supportive co-workers	N=80	N=19	N=85	N=14	N=48	N=51	N=69	N=30	N=86	N=13
		6.94 (3)	5.47 (2)	6.61 (1)	6.93 (4)	6.60 (1)	6.71 (2)	6.54 (3)	6.93 (2)	6.80 (3)	5.69 (1)
		6.57 (1)	7.00 (3)	6.82 (3)	5.64 (1)	6.98 (3)	6.35 (1)	6.42 (2)	7.20 (5)	6.77 (2)	5.92 (2)
		7.61 (6)	5.05 (1)	7.24 (4)	6.43 (2)	7.08 (4)	7.16 (5)	7.16 (4)	7.03 (3)	7.05 (4)	7.62 (6)
		7.70 (7)	7.42 (5)	7.66 (7)	7.57 (7)	7.19 (5)	8.08 (10)	7.78 (8)	7.33 (7)	7.40 (7)	9.31 (12)
		8.10 (9)	7.11 (4)	7.87 (8)	8.14 (9)	8.25 (9)	7.59 (7)	8.20 (9)	7.23 (6)	8.03 (8)	7.08 (4)
		8.56 (11)	7.68 (7)	8.06 (9)	10.43 (14)	8.96 (11)	7.86 (8)	7.67 (7)	10.07 (14)	8.52 (11)	7.54 (5)
		8.23 (10)	9.32 (11)	8.35 (10)	8.93 (10)	7.50 (7)	9.31 (12)	8.59 (11)	8.07 (9)	8.09 (9)	10.69 (14)
		8.01 (8)	10.63 (13)	8.42 (11)	9.07 (11)	8.52 (10)	8.51 (11)	8.41 (10)	8.77 (11)	8.44 (10)	9.00 (10)
		8.70 (12)	7.84 (9)	8.62 (12)	8.00 (8)	9.08 (12)	8.02 (9)	8.65 (12)	8.27 (10)	8.63 (12)	7.92 (7)
Traditional Career Drivers	Good pay	6.63 (2)	7.58 (6)	6.79 (2)	6.93 (4)	6.83 (2)	6.78 (3)	6.35 (1)	7.87 (8)	6.53 (1)	8.62 (9)
	Good long-term future prospects in the current organisation	6.99 (4)	8.37 (10)	7.31 (5)	6.93 (4)	7.31 (6)	7.20 (6)	7.33 (5)	7.07 (4)	7.09 (5)	8.31 (8)
	Organisation entailing the desired social status	7.21 (5)	7.68 (7)	7.44 (6)	6.50 (3)	7.52 (8)	7.10 (4)	7.59 (6)	6.63 (1)	7.38 (6)	6.77 (3)
	Job security during working life	9.99 (13)	10.95 (15)	10.18 (13)	10.14 (12)	9.77 (13)	10.55 (13)	10.26 (13)	9.97 (13)	10.34 (13)	9.08 (11)

Contd.



TABLE 5: Organisational Loyalty

	Overall	Designation		Qualification		Experience		Gender		Marital Status	
		Level 1	Level 2	Engineer	Non-Engineer	< 2 years	> 2 years	Male	Female	Single	Married
		N=85	N=19	N=88	N=16	N=51	N=53	N=73	N=31	N=90	N=14
		f	f	f	f	f	f	f	f	f	f
Percentage of total work	100	57	5	52	10	39	23	42	20	56	6
experience worked in the	50-99	10	9	16	3	5	14	15	4	14	5
current organisation	1-49	18	5	20	3	7	16	16	7	20	3
Number of organisations	0	57	5	52	10	39	23	42	20	56	6
worked for (prior to joining	1	24	4	25	3	12	16	22	6	27	1
the current organisation)	2	0	7	6	1	0	7	4	3	4	3
	3	4	1	4	1	0	5	3	2	3	2
	4	0	2	1	1	0	2	2	0	0	2
Intention to continue in the current organisation for the next 5 years	29	23	6	26	3	15	14	22	7	25	4
Intention to continue in the current organisation for the entire working life	5	5	0	3	2	2	3	5	0	4	1

TABLE 6: Rankings of Immediate Targets

Immediate Targets	Mean Ranks and Aggregate Ranking										
	Overall	Designation		Qualification		Experience		Gender		Marital Status	
		Level 1	Level 2	Engineer	Non-Engineer	< 2 years	> 2 years	Male	Female	Single	Married
	N=99	N=80	N=19	N=84	N=15	N=46	N=53	N=70	N=29	N=85	N=14
Get better pay	3.70 (1)	3.59 (1)	4.16 (3)	3.56 (1)	4.47 (5)	3.91 (1)	3.51 (2)	3.60 (2)	3.93 (1)	3.73 (1)	3.50 (1)
Get an opportunity to work abroad	3.74 (2)	3.67 (2)	4.00 (2)	3.71 (2)	3.87 (2)	4.09 (2)	3.43 (1)	3.57 (1)	4.14 (2)	3.75 (2)	3.64 (2)
Get better rewarded for accomplishments	4.24 (3)	4.15 (3)	4.63 (5)	4.24 (3)	4.27 (4)	4.43 (5)	4.08 (3)	4.21 (3)	4.31 (4)	4.27 (3)	4.07 (4)
Improve job performance	4.39 (4)	4.41 (4)	4.32 (4)	4.24 (3)	5.27 (6)	4.11 (3)	4.64 (5)	4.29 (4)	4.66 (5)	4.48 (5)	3.86 (3)
Acquire a preferred skill-set	4.41 (5)	4.53 (5)	3.95 (1)	4.60 (5)	3.4 (1)	4.15 (4)	4.64 (5)	4.50 (5)	4.21 (3)	4.4 (4)	4.50 (5)
Move to a preferred job	4.70 (6)	4.71 (6)	4.63 (5)	4.83 (6)	3.93 (3)	4.87 (6)	4.55 (4)	4.67 (6)	4.76 (6)	4.69 (6)	4.71 (6)
Move to a preferred organisation	5.67 (7)	5.78 (8)	5.21 (7)	5.71 (7)	5.40 (7)	5.48 (8)	5.83 (7)	5.77 (7)	5.41 (8)	5.65 (8)	5.79 (7)
Get an opportunity to go for preferred professional training	5.70 (8)	5.68 (7)	5.79 (8)	5.73 (8)	5.53 (8)	5.46 (7)	5.91 (8)	5.90 (8)	5.21 (7)	5.61 (7)	6.21 (8)
Just continue as one is	8.45 (9)	8.49 (9)	8.32 (9)	8.38 (9)	8.87 (9)	8.50 (9)	8.42 (9)	8.49 (9)	8.38 (9)	8.41 (9)	8.71 (9)
Kendall's Coefficient of Concordance	0.292	0.306	0.254	0.292	0.355	0.276	0.319	0.317	0.247	0.281	0.375
Chi-Square Statistics <sup>1</sup>	231.43	195.69	38.55	196.55	42.54	101.52	135.42	177.72	57.23	191.04	41.96

<sup>1</sup> All values exceed critical value at significance level  $p < 0.001$ .

TABLE 7: Rankings of Change Drivers

Change Drivers	Mean Ranks and Aggregate Ranking										
	Overall	Designation		Qualification		Experience		Gender		Marital Status	
		Level 1	Level 2	Engineer	Non-Engineer	< 2 years	> 2 years	Male	Female	Single	Married
Better pay	N=98 2.81 (1)	N=79 2.72 (1)	N=19 3.16 (1)	N=83 2.86 (1)	N=15 2.53 (2)	N=46 2.83 (1)	N=52 2.79 (1)	N=69 2.77 (1)	N=29 2.90 (1)	N=85 2.85 (1)	N=13 2.54 (1)
Opportunity to work abroad	3.83 (2)	3.67 (2)	4.47 (3)	3.98 (2)	3.00 (3)	3.65 (2)	3.98 (2)	3.46 (3)	4.69 (3)	3.78 (2)	4.15 (3)
Preferred job/ project	3.85 (3)	3.87 (3)	3.74 (2)	4.11 (3)	2.40 (1)	3.70 (3)	3.98 (2)	3.19 (2)	5.41 (6)	3.92 (3)	3.38 (2)
Stronger link between reward and performance	4.83 (4)	4.82 (4)	4.84 (4)	4.65 (4)	5.80 (6)	5.04 (5)	4.63 (4)	5.09 (4)	4.21 (2)	4.93 (4)	4.15 (3)
Cutting edge technology and facilities	5.19 (5)	5.18 (5)	5.26 (6)	5.07 (5)	5.87 (7)	5.00 (4)	5.37 (5)	5.29 (5)	4.97 (4)	5.22 (5)	5.00 (5)
Job security	5.64 (6)	5.77 (6)	5.11 (5)	5.63 (6)	5.73 (5)	5.87 (7)	5.44 (6)	5.84 (6)	5.17 (5)	5.72 (6)	5.15 (6)
Opportunity to go for preferred professional training	5.90 (7)	6.06 (7)	5.26 (6)	6.05 (8)	5.07 (4)	5.84 (6)	5.96 (7)	5.91 (7)	5.90 (8)	5.84 (7)	6.31 (7)
Flexible working hours	6.15 (8)	6.28 (8)	5.58 (8)	5.96 (7)	7.20 (8)	6.23 (8)	6.08 (8)	6.41 (8)	5.52 (7)	6.06 (8)	6.69 (8)
Regular working hours	6.81 (9)	6.62 (9)	7.58 (9)	6.70 (9)	7.40 (9)	6.85 (9)	6.77 (9)	7.04 (9)	6.24 (9)	6.68 (9)	7.62 (9)
Kendall's Coefficient of Concordance	0.223	0.238	0.207	0.198	0.490	0.244	0.211	0.307	0.133	0.209	0.359
Chi-Square Statistics <sup>†</sup>	175.06	150.43	31.48	131.46	58.76	89.72	87.68	169.43	30.80	142.19	37.33

<sup>†</sup> All values exceed critical value at significance level  $p < 0.001$ .

TABLE 8: Rankings of Reward Preferences

Reward Preferences		Mean Ranks and Aggregate Ranking										
		Overall	Designation		Qualification		Experience		Gender		Marital Status	
			Level 1	Level 2	Engineer	Non-Engineer	< 2 years	> 2 years	Male	Female	Single	Married
Career Development	Promotion	N=99 3.54 (1)	N=80 3.53 (2)	N=19 3.58 (1)	N=84 3.57 (1)	N=15 3.33 (2)	N=46 3.87 (2)	N=53 3.25 (1)	N=70 3.67 (2)	N=29 3.21 (1)	N=85 3.66 (2)	N=14 2.79 (1)
	Opportunity to work abroad	3.65 (2)	3.47 (1)	4.37 (4)	3.58 (2)	4.00 (3)	3.41 (1)	3.85 (2)	3.66 (1)	3.62 (3)	3.51 (1)	4.50 (4)
	Move to a job/ project with better long term career prospects	5.53 (5)	5.81 (5)	4.32 (3)	5.56 (5)	5.33 (5)	5.89 (6)	5.21 (5)	5.39 (5)	5.86 (5)	5.78 (5)	4.00 (3)
	Opportunity to go for preferred professional training	6.81 (8)	6.71 (8)	7.21 (8)	6.83 (8)	6.67 (8)	6.50 (8)	7.08 (8)	6.96 (8)	6.45 (7)	6.69 (8)	7.50 (8)
Job-Related	Move to a preferred job/ project	5.91 (6)	6.14 (7)	4.95 (5)	6.12 (7)	4.73 (4)	6.20 (7)	5.66 (6)	5.63 (6)	6.59 (8)	6.08 (7)	4.86 (5)
	More autonomy in work	5.97 (7)	6.03 (6)	5.74 (6)	5.88 (6)	6.47 (7)	5.78 (5)	6.13 (7)	5.84 (7)	6.28 (6)	6.02 (6)	5.64 (6)
Monetary	Increment	4.03 (3)	3.97 (3)	4.26 (2)	4.17 (3)	3.27 (1)	4.24 (3)	3.85 (2)	4.21 (3)	3.59 (2)	4.08 (3)	3.71 (2)
	Cash reward	4.91 (4)	4.68 (4)	5.89 (7)	4.73 (4)	5.93 (6)	4.65 (4)	5.13 (4)	5.01 (4)	4.66 (4)	4.74 (4)	5.93 (7)
	Employee stock options that can be exercised right away	7.04 (9)	7.00 (9)	7.21 (8)	6.99 (9)	7.33 (9)	6.87 (9)	7.19 (9)	6.97 (9)	7.21 (9)	6.93 (9)	7.71 (9)
	Employee stock options that can be exercised later if continued in the same organisation	7.63 (10)	7.66 (10)	7.47 (10)	7.57 (10)	7.93 (10)	7.59 (10)	7.66 (10)	7.66 (10)	7.55 (10)	7.51 (10)	8.36 (10)
Kendall's Coefficient of Concordance		0.228	0.245	0.220	0.225	0.295	0.209	0.257	0.215	0.280	0.220	0.382
Chi-Square Statistics <sup>1</sup>		203.02	176.15	37.66	170.30	39.79	86.67	122.47	135.30	73.09	168.16	48.09

All values exceed critical value at significance level  $p < 0.001$ .



TABLE 9: Rankings of Skill-Acquisition Drivers

Skill-Acquisition Drivers	Mean Ranks and Aggregate Ranking									
	Overall	Designation		Qualification		Experience		Gender		Marital Status
		Level 1	Level 2	Engineer	Non-Engineer	< 2 years	> 2 years	Male	Female	
	N=98	N=79	N=19	N=83	N=15	N=46	N=52	N=70	N=28	N=85
Modern Drivers	One that improves long-term career prospects across organisations	3.81 (1)	3.91 (1)	3.37 (1)	3.96 (1)	2.93 (1)	3.98 (2)	3.80 (1)	3.82 (1)	3.79 (1)
	One that has stronger link between reward and performance	5.03 (4)	5.15 (4)	4.53 (4)	4.93 (4)	5.60 (5)	5.48 (5)	4.76 (4)	5.71 (6)	5.19 (4)
	One that helps in the current job	5.29 (5)	5.39 (6)	4.84 (5)	5.29 (5)	5.27 (4)	5.26 (4)	5.70 (6)	4.25 (3)	5.34 (5)
	One that provides an opportunity to work abroad	5.76 (6)	5.34 (5)	7.47 (10)	5.69 (6)	6.13 (6)	5.50 (6)	5.64 (5)	6.04 (7)	5.66 (6)
	One that gets job in the preferred organisation	6.67 (8)	6.61 (8)	6.95 (8)	6.61 (9)	7.00 (8)	6.48 (7)	6.36 (7)	7.46 (9)	6.66 (9)
Traditional Drivers	One that provides an opportunity to go for preferred professional training	6.74 (9)	6.75 (9)	6.74 (7)	6.58 (8)	7.67 (10)	6.52 (8)	6.70 (9)	6.86 (8)	6.65 (8)
	One that improves career prospects in the current organisation	4.08 (2)	4.04 (2)	4.26 (2)	4.25 (2)	3.13 (2)	3.72 (1)	4.16 (2)	3.89 (2)	4.09 (2)
	One that provides better pay	4.55 (3)	4.59 (3)	4.37 (3)	4.55 (3)	4.53 (3)	4.67 (3)	4.41 (3)	4.89 (4)	4.53 (3)
	One that provides job security	6.35 (7)	6.42 (7)	6.05 (6)	6.36 (7)	6.27 (7)	6.52 (8)	6.61 (8)	5.68 (5)	6.39 (7)
	One that provides desired social status	7.69 (10)	7.82 (10)	7.16 (9)	7.80 (10)	7.13 (9)	8.33 (10)	7.76 (10)	7.54 (10)	7.64 (10)
Kendall's Coefficient of Concordance	No preference for any particular new skill-set	10.69 (11)	10.68 (11)	10.74 (11)	10.70 (11)	10.67 (11)	10.52 (11)	10.74 (11)	10.57 (11)	10.73 (11)
	No desire to learn a new skill-set	11.34 (12)	11.29 (12)	11.53 (12)	11.28 (12)	11.67 (12)	11.02 (12)	11.36 (12)	11.29 (12)	11.34 (12)
	Chi-Square Statistics <sup>1</sup>	0.445	0.441	0.497	0.434	0.535	0.426	0.453	0.453	0.444
All values exceed critical value at significance level $p < 0.001$ .		479.55	383.23	103.84	396.06	88.28	215.75	348.86	139.43	414.99